



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

March 9, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

STATE LEGISLATIVE UPDATE

Senate Budget Hearing

The Senate Budget and Fiscal Review Subcommittee No. 3 held its first hearing on Monday, March 08, 2004 on the Governor's Proposed 2004-05 Budget. Instead of having a simple informational hearing, the Subcommittee, after taking testimony, rejected the Governor's proposed enrollment caps for the following programs: AIDS Drug Assistance Program (ADAP), Genetically Handicapped Persons, California Children's Services, various programs within Medi-Cal (prenatal care, long-term care and breast and cervical cancer treatment) and Healthy Families, including the state-only program for legal immigrants.

Our Sacramento advocates, along with numerous advocacy groups, testified that enrollment caps are a "penny wise pound foolish" approach to controlling costs because if access is denied to preventive services, patients will present at emergency rooms for far more expensive treatment. Subcommittee Chair, Senator Chesbro, asked administrative and legislative staff and advocacy groups to work together to look at other options to achieve program savings, including using prescription drug rebates owed the State from pharmaceutical companies and program efficiencies that did not reduce services.

The Subcommittee also rejected the Governor proposal to restructure and consolidate certain State-only funded programs that provide health and human services to legal immigrants, including the Healthy Families Program, and shift the program

responsibilities to the counties in the form of a block grant. The Subcommittee accepted the LAO and Staff conclusion that it would be difficult for counties to achieve economies of scale if they had to purchase health plan packages for smaller populations. The Subcommittee did not discuss the human services programs contained in the Governor's block grant proposal.

Finally, the Subcommittee voted to shift discussion of the Governor's proposal for a two-tiered benefit package for the Healthy Families Program to the Health and Human Services policy committee.

In other budget-related activity, the Governor signed SB 1041 and SB 1057 which implement \$990 million in mid-year budget proposals. SB 1041 includes several transfers, reversions, and special fund loans, while SB 1057 among its provisions, increases the VLF gap loan by \$475 million and specifies that cities and counties are to be repaid by August 15, 2006, at the latest.

Workers' Compensation Reform

State Controller Steve Westly recently provided the Governor and members of the Legislature additional workers' compensation reform recommendations that would benefit public agencies, including schools and local governments. The recommendations include: allowing public sector employers the ability to exempt volunteers from the minimum temporary disability statutes; consideration of prior awards for permanent disability so that a single employee cannot exceed 100 percent of salary, except under specified conditions; expansion of return-to-work incentives to the public sector; and a one-year moratorium on new presumptive injury categories.

The recommendations are the product of a task force on workers' compensation that Mr. Westly created last December. Representatives to the task force included the California State Association of Counties, League of California Cities, California Joint Powers Authorities, Public Agency Risk Managers Association, and the California Association of School Business Officials.

Pursuit of County Position on Legislation

ACA 25 (Mullin) would amend the California Constitution by permitting 17-year old citizens, who will be 18 years old by the next general election, to register and vote at that general election and at any intervening primary or special election. The language of ACA 25 is identical to County-supported AB 1608 (Liu), that died in the Assembly Elections, Redistricting and Constitutional Amendments Committee last year because it

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was determined that the subject matter was constitutional in nature and would require ratification by a vote of the people and could not be achieved statutorily. **Therefore, our Sacramento advocates will support ACA 25, based on the County's previous support for AB 1608.** This legislation is currently in the Assembly Committee on Elections, Redistricting and Constitutional Amendments with no hearing date set. There is no registered support or opposition.

Status of County-Interest Legislation

County-sponsored AB 1153 (Bermudez), which would criminalize the unauthorized use, manufacture or sale of any official State, county, city, city and county or agency badge and/or associated photographic identification cards with two exceptions: 1) the use of a badge in a fictitious or historical depiction of a public officer or employee; and 2) a badge supplied by a recognized employee organization that represents firefighters, was signed by the Governor on March 5, 2004, and became effective immediately.

We will continue to keep you advised.

DEJ:GK
MAL:JF:JR:ib

c: Executive Officer, Board of Supervisors
 County Counsel
 Local 660
 All Department Heads
 Legislative Strategist
 Coalition of County Unions
 California Contract Cities Association
 Independent Cities Association
 League of California Cities
 City Managers Associations
 Buddy Program Participants